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Setting National Priorities, the 1982 Budget

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surprising that the best and boom times surrounded national emergencies such as the Mexican and Spanish-American Wars. Typically, though several base commanders and commandants had pleaded for nearly 50 years for construction of a drydock to handle major shipping repairs, it was only after the Spanish-American War that Pensacola received its first floating drydock as a reparation from the Spanish. It is also perhaps typical that after the drydock was completely destroyed in a 1906 hurricane, it was never replaced.

This pattern of waxing and waning fortunes for the Navy and the city is, of course, all too typical for those who believe the country has shown a remarkable tendency to ignore defense preparations and spending in times of peace only to be forced into emergency action in times of crisis. Therein perhaps lies the value of Professor Pearce's book, since the history of Pensacola clearly depicts this American tendency. Thus no matter how feverish the activity, once a commitment is finally made to preparations, expansion or growth, the delays will be costly in terms of money, waste or even lives. Professor Pearce has done a genuine service in his remarkably clear, interesting, and informative study of the Navy in Pensacola.

MICHAEL B. EDWARDS
Commander, U.S. Navy

Pechman, Joseph A., ed. *Setting National Priorities, the 1982 Budget*. Washington: Brookings Institution, 1981. 275pp.

This volume is the Brookings Institution's 12th annual study of the federal budget. Although the editors and individual chapter authors have changed over time, this series of analyses has been described as "a primary reference on the federal budget" and "the best single source of insights concerning how to think about complex policy questions." The current editor, and a

principal author, is the director of the Brookings Economics Studies program and a specialist in the economics of public finance.

This year's book should continue the series' high repute, although it does not have the sweep of the 1980 publication which examined in some depth a number of key policy areas for the United States in the decade of the 1980s. What makes the FY 1982 budget particularly significant are the changes in the proposed budget between the outgoing Carter administration and the incoming Reagan administration. A Carter FY 1982 budget was submitted in January 1981, only to be followed by major revisions in Reagan messages sent to Congress on 18 February and 10 March 1981. Probably no change in Administrations since the 1930s has represented such a major shift in the philosophy of government as the replacement of the Carter with the Reagan administration.

In a chapter entitled "A Change in Direction" A. James Reichley discusses the ideology of the new Administration, tracing its roots back to the movement in the Republican Party that made Senator Barry Goldwater the party's Presidential candidate in 1964. The contrast between the lopsided defeat of Goldwater in 1964 and the resounding electoral vote victory of Reagan in 1980 could be read as a dramatic shift to the right in the American electorate's views on both domestic and foreign policy issues.

The Reagan revisions of the Carter FY 1982 budget highlight in the budgetary priorities the changes in ideology. Reagan increased budget authority for defense programs by \$25.8 billion over the Carter proposals (as well as increasing the existing FY 1981 budget by \$6.8 billion), and he cut nondefense outlays by an additional \$40.4 billion over the cuts proposed by Carter. Reagan also fulfilled his campaign promises by calling for dramatic

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tax cuts. Although the President proposes, but Congress disposes on budgetary matters, as this review was being written the Administration had largely accomplished getting its expenditure program through Congress and seemed likely to obtain the major part of the tax proposals as well.

The Brookings study will be useful to readers in understanding these changes in the context of the budget's history, its outlook, and the relation of the budget to the economy and economic policy. The Brookings analyses of the effects of the Reagan measures on the economy and in the nondefense budget programs are frequently critical. These judgments reflect either differences in analytical approach or in values between the Administration and the Brookings analysts.

The chapter on the defense budget should be of greatest interest to readers of the *Review*. Its author, William W. Kaufman of Massachusetts Institute of Technology, also authored the chapter on defense policy in the 1980 Brookings volume. Although the Carter administration entered office trying to cut military spending, world events forced it to reverse that course, and its FY 1982 budget and Five Year Defense Program for FY 1982-86 called for real increases each year in total obligational authority and outlays, averaging 5.0 and 4.7 percent respectively and providing cumulative obligational authority over the 5 year period of \$1,085.2 billion in real terms. The Reagan program would add an additional \$195 billion of real total obligational authority over that period and raise the defense outlays' share of 1986 GNP to 7.0 percent, more than one percentage point above the GNP share of the Carter program.

Although Kaufman sees a need for defense spending beyond what is contained in the Carter program, he criticizes the Reagan approach to increasing national defense as mechanical and probably excessive. According

to Kaufman, "Calculated underfunding of U.S. military programs in the past is no excuse for overfunding them in the future . . . Both the executive branch and Congress have a duty to search more systematically for the defense policy and programs that are appropriate for the country in these ambiguous times." (p. 183)

Kaufman advocates prioritizing the increments to defense spending above the Carter program and sets forth four levels of priority, ranging from urgent programs to those that would be nice to have. The priorities reflect his assessment that in seeking additional hedges against the uncertainties that face the United States in providing military security over the coming decade, the greatest needs are for dealing with nonnuclear rather than nuclear war dangers and for meeting multiple, simultaneous contingencies rather than gearing all force planning to 1½ wars.

Kaufman's recommendations for his highest two priority increments are a mix of proposals, some of which should be generally acceptable to most readers, but others will be controversial. The defense community is likely to accept the measures to increase war reserve stocks, for pay increases to raise the numbers and quality of armed forces personnel, to procure more Navy and Air Force fighter aircraft, and to provide more sealift and escort vessels. However, his suggestions that more reliance should be placed on reserve component divisions and spending to increase their readiness by diverting funds from purchasing additional European prepositioned division equipment sets and for paying for the sealift and escort vessels, in part, by cancelling the procurement of the CX outsize airlift aircraft are more debatable. At issue here is whether the United States needs to place more emphasis on mobilization speed or on greater flexibility in its forces.

His conclusion that his lowest two priority hedges against uncertainty

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could be eliminated for a \$55 billion saving with no noticeable reduction in national security will also be questioned. And Kaufman's skepticism about the value of the B-1 strategic bomber and the need for additional Navy carrier battle groups to press the attack to Russian home waters will not please advocates of these programs.

Readers of this year's Brookings analysis of the federal budget will, as in the past, find plenty of material that is informative, enlightening, or provocative.

JOHN A. WALGREEN
Wheaton College

Rood, Harold W., *Kingdoms of the Blind*. Durham, N.C.: Carolina Academic Press, 1980. 294pp.

Professor Rood has written a book which should provide interesting reading to naval officers and other serious students of strategy. His two central themes are to document the "dangerous inclination democratic people have of discounting the likelihood of war" and call attention to the repeated Soviet preparations for war.

Without adhering to the principle that history repeats itself ("It is only the behavior of democracies that seems repetitious"), Professor Rood quickly repeats the lessons of the 1930s and then provides keen insights into the strategic nature of Soviet foreign policy since 1945. His analysis of submarine warfare is extremely well thought out and documented. Professor Rood does not dwell on the past and argues a good case for the current international situation being far worse than anything experienced by Great Britain in the prewar years.

The book presents a number of detailed case studies of the geopolitical implications of events in Cuba, Czechoslovakia and of the strategic importance of central Europe, the Mediterranean, and the Caribbean. Professor Rood develops

an interesting and revealing scenario with regard to the magnitude of any operations which would be undertaken to neutralize Cuba. He adroitly ties this to his thesis that strategy is essentially "to force one's enemy to defend that which he has no choice to defend and in areas away from the principal theater of war, while one's own forces concentrate to achieve a decision in that theater of war where the outcome of battle will decide the outcome of war."

Europe remains the center of what Professor Rood views as the most likely area of future East-West confrontation. The book documents numerous examples of Soviet maneuvers that have significantly altered their options to the detriment of NATO. Soviet successes in arms control negotiations, while continuing to openly prepare for a winnable war, have been met with American optimism and adoption of the classic role of any peacetime democracy. Rood argues that the shift in favor of the East has already started to occur. He states that, "If the West prepares for war and no war comes, we may enjoy the freedom of criticizing ourselves for our foolishness. If war comes and the West is unprepared . . . Our freedom will have died, killed by our blindness."

Kingdoms of the Blind is indexed and extremely well footnoted.

JAMES JOHN TRITTEN
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Roskill, Stephen. *Admiral of the Fleet Earl Beatty. The Last Naval Hero: An Intimate Biography*. New York: Atheneum, 1981. 430pp.

The claim on the dust jacket notwithstanding, Captain Roskill's biography of Admiral Beatty is not the first biography of this distinguished British naval officer of the World War I era. Thirty years ago, Rear Adm. W.S. Chalmers recorded Beatty's naval achievements without delving into the more delicate features of Beatty's personal life or